

Message Text

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TAGS: MTN, GATT, ETRD

SUBJECT: DG INITIATIVE CONCERNING NEXT PHASE OF THE MTN

1. DIRECTOR GENERAL LONG ASKED ME TO FORWARD TO AMBASSADOR STRAUSS THE MATERIAL REPORTED BELOW AS BACKGROUND FOR DISCUSSIONS SCHEDULED JANUARY 23 IN LONG'S OFFICE WITH EC VP HAFERKAMP AND USHIBA. MCDONALD WILL COMMENT ON THIS MATERIAL BY SEPTTEL TOMORROW. PRESENT PLAN IS FOR U.S., EC AND JAPANESE DELEGATIONS TO GET TOGETHER WITH LONG AND/OR PATTERSON LATER THIS WEEK TO DEVELOP UNDERSTANDING ON THE WORK PROGRAM FOR COMING MONTHS FOR REVIEW AND DISCUSSION JANUARY 23 BY STRAUSS, HAFERKAMP AND USHIBA. ON QUICK READING, MOST OF OUR PROBLEMS ARE IN ANNEX 1 WITH ITS FOCUS ON GROUP AND SUBGROUP MEETINGS. IN ADDITION, WE MAY NEED TO TIGHTEN THE TARGET TIMETABLE FOR COMPLETING THE ROUND.

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BEGIN TEXT - THE NEXT PHASE IN THE MULTILATERAL TRADE
NEGOTIATIONS - NOTE BY THE DIRECTOR-GENERAL

1. THE TABLING OF SPECIFIC OFFERS ON TARIFFS, NONTARIFF
MEASURES AND AGRICULTURAL PRODUCTS IN ACCORDANCE WITH THE
AGREED TIMETABLE IS A STEP OF GREAT POLITICAL AND

ECONOMIC SIGNIFICANCE SINCE IT PROVIDES A CONCRETE DEMONSTRATION THAT THE WILL EXISTS TO CARRY THE MULTILATERAL TRADE NEGOTIATIONS THROUGH TO A SUCCESSFUL CONCLUSION, DESPITE THE MANY DIFFICULTIES WHICH LIE ALONG THE PATH.

2. ONE PHASE OF THE NEGOTIATIONS HAS ENDED AND NOW THE CRUCIAL PHASE OF "BARGAINING" IS BEGINNING. IT IS THEREFORE NECESSARY TO TAKE STOCK OF THE SITUATION, TO IDENTIFY WHAT NEEDS TO BE DONE IN THE NEXT PHASE OF THE NEGOTIATIONS AND TO AGREE ON A TIME-SCALE FOR THE COMPLETION OF THE NEGOTIATIONS.

3. IN MANY AREAS OF THE NEGOTIATIONS A FIRM BASIS FOR BARGAINING HAS BEEN ESTABLISHED - IN SOME AREAS SPECIFIC OFFERS HAVE BEEN TABLED AND IN OTHERS THERE IS A CONSENSUS THAT WORK SHOULD PROCEED ON THE BASIS OF DRAFT TEXTS. IN OTHER AREAS, HOWEVER, THERE IS STILL NO GENERALLY AGREED BASIS ON WHICH ACTUAL BARGAINING CAN START.

4. THE TOKYO DECLARATION LAYS DOWN THAT "COORDINATED EFFORTS SHALL BE MADE TO SOLVE IN AN EQUITABLE WAY THE TRADE PROBLEMS OF ALL PARTICIPATING COUNTRIES, TAKING INTO ACCOUNT THE SPECIFIC TRADE PROBLEMS OF THE DEVELOPING COUNTRIES" AND THAT "THE NEGOTIATIONS SHALL LIMITED OFFICIAL USE

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BE CONSIDERED AS ONE UNDERTAKING, THE VARIOUS ELEMENTS OF WHICH SHALL MOVE FORWARD TOGETHER".

5. IT IS ESSENTIAL THEREFORE THAT IN THE WEEKS IMMEDIATELY AHEAD PRIORITY BE GIVEN TO SECURING AN AGED BASIS FOR NEGOTIATIONS IN THE AREAS WHICH ARE LESS ADVANCED THAN OTHERS: SUBSIDIES AND COUNTERVAILING DUTIES, SAFEGUARDS, THE FRAMEWORK FOR THE IMPROVEMENT OF WORLD TRADE, SECTORS AND CUSTOMS VALUATION.

6. ANNEX 1 TO THIS NOTE SUGGESTS WHAT NEEDS TO BE DONE NEXT IN THESE PARTICULAR TIME-PRIORITY AREAS, AS WELL AS ALL THE OTHER AREAS OF THE NEGOTIATIONS. IMPLEMENTATION OF THESE SUGGESTIONS WILL NOT BE EASY. TWO THINGS MUST, HOWEVER, BE STRESSED. FIRST, THESE SUGGESTIONS CALL FOR FLEXIBILITY ON THE PART OF ALL PARTICIPANTS BECAUSE A BROAD BASIS FOR BARGAINING COVERING ALL AREAS OF THE NEGOTIATIONS MUST BE ESTABLISHED IF ANY PARTICIPANT IS TO MAXIMIZE THE BENEFITS WHICH IT WILL OBTAIN FROM THE NEGOTIATIONS. NEGOTIATIONS A LA CARTE, AT THIS ADVANCED STAGE, IS NOT A POLITICALLY VIABLE OPTION. SECOND, IT SHOULD BE RECALLED ONCE MORE THAT THE

TABLING OF OFFERS OR DRAFT TEXTS DOES NOT REPRESENT A FINAL COMMITMENT BUT ESTABLISHES A NEGOTIATING HYPOTHESIS WHICH WOULD BE CONFIRMED ONLY IF A SATISFACTORY RESULT IS OBTAINED IN THE FINAL STAGE OF THE NEGOTIATION.

7. THE ACTUAL BARGAINING PHASE OF THE NEGOTIATIONS HAS STARTED IN SOME AREAS, EVEN THOUGH THE UNDERSTANDING ON WHICH THE NEGOTIATIONS ARE MOVING FORWARD IS INFORMAL AND SOMEWHAT LESS THAN COMPLETE IN CERTAIN OF THESE AREAS.

8. IT WILL BE NECESSARY IN THIS NEXT PHASE OF THE NEGOTIATIONS FOR PARTICIPANTS:

(A) TO ENSURE THAT TRANSPARENCY IS OBTAINED (I.E., LIMITED OFFICIAL USE

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THAT FULL INFORMATION ON OFFERS MADE IS AVAILABLE TO PARTICIPANTS, CONSISTENT WITH THE REQUIREMENT THAT CONFIDENTIALITY IS MAINTAINED);

(B) TO ENSURE THAT ALL PARTICIPANTS ARE FULLY INVOLVED IN THE NEGOTIATING PROCESS;

(C) TO ENSURE THAT THE OFFERS AND PROPOSALS ARE MADE IN SPECIFIC TERMS AND, WHERE THIS IS NOT THE CASE, TO OBTAIN SPECIFICITY; AND

(D) TO ASSESS THE OFFERS THAT HAVE BEEN MADE AND THE TEXTS THAT ARE ON THE TABLE.

9. THE MAIN AIM OF THE BARGAINING PHASE SHOULD THEN BE TO WORK TOWARDS THE IMPROVEMENT OF INITIAL OFFERS AND TO ENSURE THAT WORKING HYPOTHESES IN THE FORM OF DRAFT CODES, INTERPRETATIVE NOTES ETC. WOULD GO AS FAR AS POSSIBLE TOWARDS SOLVING THE PROBLEMS WHICH HAVE BEEN IDENTIFIED IN THE PRELIMINARY PHASE OF THE NEGOTIATIONS. FOR A SUCCESSFUL FINAL RESULT IT IS MOST IMPORTANT THAT LIMITED OFFICIAL USE

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THE BARGAINING PHASE OF THE NEGOTIATIONS SHOULD BE KEPT SEPARATE FROM THE FINAL PHASE OF THE NEGOTIATIONS DURING WHICH OVERALL RECIPROCITY IS OBTAINED AMONG DEVELOPED PARTICIPANTS. TO INTRODUCE CONSIDERATIONS OF RECIPROCITY INTO THE PHASE WHICH IS NOW STARTING WOULD INEVITABLY REDUCE THE END RESULTS OF THE NEGOTIATIONS.

10. PARTICULAR ATTENTION SHOULD BE PAID IN THE PHASE OF THE NEGOTIATIONS WHICH IS NOW OPENING TO WAYS IN WHICH BENEFITS FOR DEVELOPING COUNTRIES AT ALL LEVELS OF DEVELOPMENT CAN BE MAXIMIZED.

11. IN ADDITION TO MAXIMIZING BENEFITS FOR THE MORE ADVANCED DEVELOPING COUNTRIES, IT IS ALSO IMPORTANT TO MAKE EFFORTS TO MEET THE REQUESTS FOR TRADE CONCESSIONS PRESENTED BY THE MIDDLE RANGE OF DEVELOPING COUNTRIES, WHICH ARE IN FACT THE MAJORITY OF DEVELOPING PARTICIPANTS IN THE NEGOTIATIONS, AND TO CONSIDER WHAT COULD BE DONE PARTICULARLY FOR THE LEAST DEVELOPED COUNTRIES IN TERMS OF THE COMMITMENT ASSUMED IN PARAGRAPH 6 OF THE TOKYO DECLARATION. (SEE ANNEX 2.)

12. SUGGESTIONS AS TO THE NEXT STEPS TO BE TAKEN IN EACH OF THE AREAS ARE SET OUT IN ANNEX 1 TO THIS PAPER.

13. IN ADDITION, A DATE SHOULD BE AGREED FOR THE COMPLETION OF THE COMING PHASE OF THE NEGOTIATIONS. I SUGGEST THAT PARTICIPANTS AIM AT JULY 1978 AS THE DATE BY WHICH ALL OFFERS WILL BE ON THE TABLE AND BY WHICH CLEAN TEXTS OF DRAFT CODES, INTERPRETATIVE NOTES, ETC. WILL BE READY, WITH CLEAR ALTERNATIVE TEXTS SET OUT IF MAJOR DIFFERENCES STILL EXIST ON A LIMITED NUMBER OF POINTS. THAT IS TO

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SAY, THAT JULY BE TARGETTED AS THE DATE FOR THE BEGINNING OF THE FINAL PHASE: ACHIEVEMENT OF OVERALL RECIPROCITY OR, WHERE THE NEGOTIATIONS ARE NOT CONDUCTED ON THE BASIS OF RECIPROCITY, OF A POLITICALLY ACCEPTABLE FINAL RESULT.

14. IF THE SUGGESTIONS CONTAINED IN THIS NOTE ARE ACTED UPON, A POLITICALLY ACCEPTABLE FINAL RESULT SHOULD THEN BE POSSIBLE BEFORE THE END OF THE YEAR. THIS REPRESENTS A CHALLENGE, BUT IT IS EVEN MORE AN OPPORTUNITY WHICH MUST NOT BE MISSED NOW THAT THE POLITICAL WILL TO BRING THEM TO A SUCCESSFUL CONCLUSION HAS BEEN DEMONSTRATED.

ANNEX 1

NOTE: THE FIRST FIVE AREAS ARE THOSE TO WHICH PRIORITY IN TIME SHOULD BE ACCORDED, OTHERWISE NO PARTICULAR SIGNIFICANCE SHOULD BE ATTACHED TO THE ORDER IN WHICH THE AREAS ARE PRESENTED.

1. SUBSIDIES AND COUNTERVAILING DUTIES

NO GENERALLY AGREED BASIS FOR NEGOTIATIONS YET EXISTS IN THIS AREA. HOWEVER, CERTAIN DELEGATIONS HAVE RECENTLY CIRCULATED THE OUTLINE OF A POSSIBLE APPROACH TO NEGOTIATIONS ON SUBSIDIES AND COUNTERVAILING DUTIES. WHILE THIS OUTLINE REPRESENTS LITTLE MORE THAN AN AGENDA FOR DISCUSSION, IT DOES SEEM THE MOST ACCEPTABLE POINT OF DEPARTURE AVAILABLE.

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THE SUBGROUP SHOULD THEREFORE MEET VERY SOON (EARLY FEBRUARY):

(A) TO AGREE ON THIS AS A STARTING POINT FOR THE NEGOTIATIONS, AND

(B) TO DECIDE HOW TO GET DRAFT TEXTS RELATING TO EACH OF THE ELEMENTS IN THE OUTLINE ON THE TABLE SO THAT DETAILED NEGOTIATIONS CAN BEGIN.

2. FRAMEWORK

RESERVATIONS HAVE BEEN MADE BY MANY DELEGATIONS TO ITEMS IN THE FIVE-POINT PROGRAMME OF WORK OUTLINED BY THE ACTING CHAIRMAN OF THE GROUP. WHILE MANY SUGGESTIONS HAVE BEEN MADE IN THE GROUP, AND THESE HAVE BEEN COLLECTED TOGETHER IN A DOCUMENT WHICH HAS RECENTLY BEEN CIRCULATED, VERY FEW OF THEM ARE CAST IN SPECIFIC DRAFTING TERMS.

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PARTICIPANTS SHOULD AGREE TO EXAMINE ALL OF THE SUGGESTIONS THAT HAVE BEEN MADE.

GROUP "FRAMEWORK" SHOULD ALSO MEET SOON (FEBRUARY) TO DISCUSS THESE SUGGESTIONS IN DETAIL SO THAT INTERESTED DELEGATIONS HAVE A BASIS FOR TABLING SPECIFIC PROPOSALS WHICH CAN FORM A BASIS FOR NEGOTIATIONS IN THE GROUP.

3. SAFEGUARDS

TWO PAPERS HAVE RECENTLY BEEN CIRCULATED BY CERTAIN DELEGATIONS. GROUP "SAFEGUARDS" SHOULD MEET IN FEBRUARY,

(A) TO GIVE PARTICIPANTS AN OPPORTUNITY TO GIVE THEIR REACTIONS TO THESE PAPERS, AS FAR AS POSSIBLE IN SPECIFIC DRAFTING TERMS, AND

(B) TO INSTRUCT THE CHAIRMAN TO DRAW UP, ON HIS RESPONSIBILITY, A DOCUMENT SETTING OUT THE SPECIFIC DRAFTING SUGGESTIONS MADE WHICH WOULD PROVIDE A BASIS FOR ACTUAL NEGOTIATIONS.

4. SECTOR APPROACH

ONE DELEGATION IS EXPECTED TO TABLE FURTHER SPECIFIC PROPOSALS IN THE NEAR FUTURE.

SOME TIME WOULD BE NEEDED FOR THE EXAMINATION OF THESE PROPOSALS BUT A MEETING OF THE GROUP SHOULD BE HELD WITH A MINIMUM OF DELAY IN ORDER TO REACH AGREEMENT ON THE BASIS FOR ITS FURTHER WORK.

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5. CUSTOMS VALUATION

A DRAFT VALUATION CODE HAS BEEN CIRCULATED AND WELCOMED BY A NUMBER OF DELEGATIONS.

THE SUBGROUP "CUSTOMS MATTERS" SHOULD MEET IN FEBRUARY TO AGREE THAT THIS DRAFT SHOULD BE USED AS A BASIS FOR THE NEGOTIATIONS AND TO INVITE DELEGATIONS WISHING TO DO SO TO PROPOSE AMENDMENTS OR ADDITIONS TO THE TEXT.

6. AGRICULTURE AND NONTARIFF MEASURES

OFFERS ARE TO BE TABLED IN THE WEEK OF 15 JANUARY IN ACCORDANCE WITH THE PROCEDURES ADOPTED IN THESE GROUPS. PARTICIPANTS WILL NEED SOME TIME (SIX TO EIGHT WEEKS, SAY) TO EXAMINE THESE OFFERS, TO OBTAIN CLARIFICATION OF THEM BILATERALLY AND TO MAKE THEIR FIRST ASSESSMENT OF THEM.

GROUP "AGRICULTURE" AND "NONTARIFF MEASURES" SHOULD THEN MEET (IMMEDIATELY AFTER EASTER) IN ORDER TO:

(A) REVIEW THE STATUS OF OFFERS, MAKE SUCH ARRANGEMENTS AS ARE NECESSARY TO ENSURE TRANSPARENCY AND CONSIDER WHAT FURTHER ACTION SHOULD BE TAKEN TO ENSURE THAT THE MAXIMUM OFFERS ARE PUT ON THE TABLE;

(B) EXAMINE THE EXTENT TO WHICH PROGRESS HAS BEEN MADE IN ACHIEVING THE AIMS OF THE NEGOTIATIONS WITH REGARD TO DEVELOPING COUNTRIES; AND

(C) TO REVIEW THE WORK OF THEIR SUBGROUPS.

AT ITS MEETING GROUP "AGRICULTURE" SHOULD ALSO

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VIGOROUSLY PURSUE ITS REVIEW OF THE APPLICABILITY OF THE
DRAFT STANDARDS CODE TO AGRICULTURAL PRODUCTS. A
TECHNICAL SUBGROUP MIGHT BE ESTABLISHED FOR THIS
PURPOSE.

GROUP "NONTARIFF MEASURES" SHOULD STAND READY AT ITS
MEETING TO PURSUE DISCUSSION OF SUBSTANTIVE PROBLEMS
WHICH DELEGATIONS OF DEVELOPING COUNTRIES CONSIDER TO
EXIST IN THE FIELD OF ANTI-DUMPING.
7. TARIFFS

WHILE FULL AGREEMENT HAS NOT BEEN REACHED ON THE
DETAILS OF A TARIFF NEGOTIATING PLAN, OFFERS WILL BE
TABLED BY A NUMBER OF PARTICIPANTS AT THE END OF JANUARY.

DELEGATIONS WILL REQUIRE SOME TIME TO STUDY THE OFFERS
TABLED, TO ENGAGE IN BILATERAL AND PERHAPS PLURILATERAL
CONSULTATIONS DESIGNED TO CLARIFY THE CONTENT OF THE
OFFERS, TO CONSIDER THE IMPLICATIONS OF THE OFFERS FOR
THEM AND THE NEXT STEPS TO BE TAKEN IN THIS AREA.

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IT IS ALSO CLEAR, HOWEVER, THAT AFTER THIS PERIOD, WHICH MIGHT BE EXPECTED TO LAST SOME SIX TO EIGHT WEEKS, A MEETING OF THE GROUP "TARIFFS" SHOULD BE HELD (IMMEDIATELY AFTER EASTER),

(A) TO REVIEW THE STATUS OF OFFERS AND TO ESTABLISH PROCEDURES FOR ENSURING TRANSPARENCY;

(B) TO EXAMINE WHETHER IT IS NECESSARY TO OBTAIN ADDITIONAL PRECISION IN THE OFFERS (E.G. THE EXACT DEFINITION OF ANY EXCEPTIONS TO AN OFFER BASED ON AN AUTOMATIC FORMULA, WHETHER PARTIAL REDUCTIONS CAN BE OFFERED ON SUCH EXCEPTIONS, THE STAGING OF REDUCTIONS), AND IF SO, TO MAKE ARRANGEMENTS FOR SECURING THIS PRECISION;

(C) TO EXAMINE THE EXTENT TO WHICH THE OFFERS RESPOND TO CALLS BY DEVELOPING COUNTRIES FOR SPECIAL AND DIFFERENTIAL TREATMENT;

(D) TO SEE, MORE GENERALLY, WHAT ACTION IS NECESSARY TO ENSURE THAT THE HIGHEST POSSIBLE LEVEL OF TARIFF OFFERS IS OBTAINED.

8. MEAT AND DAIRY PRODUCTS

SUBGROUPS SET UP TO EXAMINE POSSIBLE MULTILATERAL SOLUTIONS SHOULD MEET BEFORE MID-FEBRUARY AND REMAIN AT THE CALL OF THEIR CHAIRMAN IN ORDER TO CONTINUE THEIR NEGOTIATIONS ON THE BASIS OF THE DOCUMENTS BEFORE THEM.

9. GRAINS

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WORK ON GRAINS HAS BEEN HELD UP IN RECENT MONTHS WHILE AWAITING THE RESULTS OF THE DISCUSSION IN THE INTERNATIONAL WHEAT COUNCIL AND NO USEFUL PURPOSE WOULD BE ACHIEVED BY HOLDING FURTHER MEETINGS OF THE SUBGROUP UNTIL THE RESULTS OF THE FORTHCOMING CONFERENCE, BEGINNING ON 13 FEBRUARY AND PROBABLY EXTENDING THROUGH MARCH, ARE KNOWN.

PARTICIPANTS SHOULD, HOWEVER, AGREE THAT, ONCE THESE RESULTS ARE KNOWN, THE SUBGROUP SHOULD MEET AS A MATTER OF URGENCY:

(A) TO CONSIDER HOW BEST TO INTEGRATE THESE RESULTS
INTO THE MULTILATERAL TRADE NEGOTIATIONS, AND

(B) TO CONSIDER WHAT AREAS SHOULD BE THE SUBJECT OF
NEGOTIATIONS IN THE MTN.

10. TROPICAL PRODUCTS

SOME SIX TO EIGHT WEEKS WILL BE NEEDED FOR PARTICIPANTS
TO REVIEW OFFERS TABLED UNDER THE PROCEDURES AGREED BY
GROUPS "AGRICULTURE" AND "TROPICAL PRODUCTS" AND TO
PURSUE THEIR BILATERAL AND PLURILATERAL CONSULTATIONS ON
THE BASIS OF THE REQUESTS AND OFFERS.

THE GROUP "TROPICAL PRODUCTS" SHOULD THEN MEET

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(APRIL) TO:

(A) CARRY OUT A MULTILATERAL REVIEW OF THE OFFERS
TABLED;

(B) DISCUSS ANY POSSIBILITIES FOR IMPROVING THESE
OFFERS; AND

(C) EXAMINE PROBLEMS RELATING TO THEIR IMPLEMENTATION.

11. TECHNICAL BARRIERS TO TRADE

ALTHOUGH THE WORK IN THIS AREA IS IN MANY RESPECTS
RELATIVELY FAR ADVANCED, THERE REMAIN VERY MANY
PROPOSALS BEFORE THE SUBGROUP "TECHNICAL BARRIERS TO
TRADE". WORK AT THE NEXT MEETING (MARCH) SHOULD
THEREFORE CONCENTRATE ON REDUCING THE DIFFERENCES WHICH
STILL EXIST ON THE TEXT OF THE DRAFT STANDARDS CODE.

12. GOVERNMENT PROCUREMENT

WORK SHOULD PROCEED ON THE BASIS OF THE RECENTLY
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CIRCULATED DRAFT INTEGRATED TEXT FOR NEGOTIATION ON
GOVERNMENT PROCUREMENT. THE GROUP ITSELF SHOULD MEET
AGAIN NOT LATER THAN MARCH.

13. QUANTITATIVE RESTRICTIONS

WHILE NO FORMAL DECISION HAS BEEN TAKEN WITH REGARD
TO THE BASIS FOR THE NEGOTIATIONS ON QUANTITATIVE
RESTRICTIONS, MANY REQUESTS HAVE IN FACT BEEN MADE ON
THESE UNDER THE GENERAL PROCEDURE, AND IT IS TO BE
EXPECTED THAT A RESPONSE TO THESE REQUESTS WILL BE
CONTAINED IN THE OFFERS WHICH WILL BE TABLED IN THE WEEK
OF 15 JANUARY.

ANY FURTHER REQUESTS THAT PARTICIPANTS WISH TO MAKE
SHOULD BE TABLED AS SOON AS POSSIBLE.

SOME TIME WILL BE REQUIRED FOR PARTICIPANTS TO
EXAMINE THE OFFERS THAT HAVE BEEN MADE, TO OBTAIN ANY
CLARIFICATIONS WHICH THEY REQUIRE AT A BILATERAL
LEVEL AND TO MAKE A FIRST ASSESSMENT OF THEM.

A MEETING OF THE SUBGROUP "QUANTITATIVE RESTRICTIONS"
SHOULD BE HELD THEREAFTER (SOMETIME IN MARCH) TO REVIEW
THE STATUS OF OFFERS WITH A VIEW TO ENSURING THAT THE
MAXIMUM OFFER IS PUT ON THE TABLE AND TO TAKE ANY
OTHER ACTION THAT IS NECESSARY AND POSSIBLE IN THIS
AREA, TAKING PARTICULARLY INTO ACCOUNT THE NEED TO
PROVIDE SPECIAL AND DIFFERENTIAL TREATMENT FOR
DEVELOPING COUNTRIES.

14. IMPORT LICENSING PROCEDURES

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NEGOTIATIONS SHOULD CONTINUE ON THE BASIS OF THE TWO TEXTS BEFORE THE SUBGROUP "QUANTITATIVE RESTRICTIONS".

15. CUSTOMS MATTERS (OTHER THAN CUSTOMS VALUATION)

A NUMBER OF SPECIFIC REQUESTS HAVE BEEN MADE ON OTHER CUSTOMS MATTERS AND IT IS TO BE EXPECTED THAT A RESPONSE TO THESE REQUESTS WILL BE CONTAINED IN THE OFFERS WHICH WILL BE TABLED IN THE WEEK OF 15 JANUARY.

AT ITS NEXT MEETING THE SUBGROUP "CUSTOMS MATTERS" SHOULD AGREE THAT ANY FURTHER REQUESTS THAT PARTICIPANTS WISH TO MAKE SHOULD BE TABLED AS SOON AS POSSIBLE. IT SHOULD ALSO MAKE ARRANGEMENTS FOR ITS FURTHER WORK IN THIS AREA.

ANNEX 2 - DEVELOPING COUNTRIES AND THE MTN

1. THE TOKYO DECLARATION MAKES NUMEROUS REFERENCES TO THE AIMS OF THE MTN AS REGARDS THE DEVELOPING COUNTRIES. HOWEVER, APART FROM A REFERENCE IN PARAGRAPH 6 TO THE LEAST DEVELOPED COUNTRIES, THE TOKYO DECLARATION SEEMS TO REGARD DEVELOPING COUNTRIES AS IF THEY WERE A HOMOGENOUS GROUP. IN REALITY THEY ARE A DIVERSE GROUP OF COUNTRIES AT VARIOUS LEVELS OF DEVELOPMENT. IT IS HARDLY LIKELY THEREFORE THAT AT THE END OF THE DAY THEY WILL FEEL AS A GROUP THAT THEY HAVE OBTAINED WHAT THEY EXPECTED FROM THE NEGOTIATIONS. SINCE THIS WOULD HAVE OBVIOUS ADVERSE POLITICAL CONSEQUENCES, A MAXIMUM EFFORT SHOULD BE MADE FROM NOW ON TO DO EVERYTHING POSSIBLE TO MEET THE CONCERNS OF DEVELOPING COUNTRIES WHATEVER THEIR LEVEL OF ECONOMIC AND TRADE DEVELOPMENT.

2. UNLESS VIGOROUS ACTION IS TAKEN, IT IS LIKELY THAT ONLY A RELATIVELY SMALL NUMBER OF PARTICIPATING DEVELOPING COUNTRIES WOULD, BY VIRTUE OF THEIR MORE ADVANCED

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AND DIVERSIFIED ECONOMIC STRUCTURE, OBTAIN IMPORTANT DEMONSTRABLE DIRECT TRADE CONCESSIONS IN TERMS OF SPECIFIC TARIFF AND NONTARIFF CONCESSIONS. AN EFFORT SHOULD BE MADE TO ENSURE, NOT ONLY THAT THESE RELATIVELY ADVANCED DEVELOPING COUNTRIES DO IN FACT OBTAIN SUCH BENEFITS, BUT ALSO THAT THE NEW RULES ON SAFEGUARDS ETC. DO NOT REDUCE THE PRACTICAL SIGNIFICANCE OF PRODUCT-RELATED CONCESSIONS GRANTED TO THEM.

3. PARAGRAPH 6 OF THE TOKYO DECLARATION STRESSES THE NEED TO ENSURE THAT THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES RECEIVE SPECIAL TREATMENT IN THE CONTEXT OF ANY GENERAL OR SPECIFIC MEASURES TAKEN IN FAVOUR OF DEVELOPING COUNTRIES DURING THE NEGOTIATIONS. AT THE MOMENT NO PROPOSALS HAVE BEEN TABLED TO THIS END AND THE BENEFITS WHICH THESE COUNTRIES WOULD OBTAIN FROM CONCESSIONS SO FAR MADE IN THE CONTEXT OF THE LIMITED OFFICIAL USE

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GROUP "TROPICAL PRODUCTS" WILL BE VERY SMALL. IT IS TRUE THAT THE MAIN TRADE PROBLEMS OF THESE COUNTRIES IS LACK OF DIVERSIFICATION IN THEIR EXPORT STRUCTURE AND THE PRICE WHICH THEY OBTAIN FOR THEIR EXPORT PRODUCTS, RATHER THAN MARKET ACCESS. IT IS ALSO TRUE THAT THESE MAIN PROBLEMS ARE AT THE MOMENT BEING DEALT WITH IN OTHER FORA. BUT THIS ONLY REINFORCES THE NEED TO ENSURE THAT WHAT CAN BE DONE FOR THESE COUNTRIES IN THE MTN IS DONE, AND THAT, IN THOSE RELATIVELY FEW CASES IN WHICH BARRIERS TO TRADE TO THEIR EXPORTS STILL REMAIN, THEY ARE REMOVED.

4. BETWEEN THE MORE ADVANCED GROUP AND THE LEAST DEVELOPED COUNTRIES FALL THE MAJORITY OF DEVELOPING PARTICIPANTS. MAXIMUM EFFORTS MUST BE MADE TO MEET REQUESTS FROM THESE COUNTRIES, THROUGH THE GSP OR OTHERWISE, FOR MARKET ACCESS FOR PRODUCTS OF INTEREST TO THEM AND TO INCLUDE PROVISIONS FOR SPECIAL AND DIFFERENTIAL TREATMENT IN ANY DRAFT CODES, INTERPRETATIVE NOTES,

ETC. END TEXT. MCDONALD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA00609
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780023-0668
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780160/aaaabytr.tel
Line Count: 711
Litigation Code IDs:
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Litigation History:
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Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 13
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3771203
Secure: OPEN
Status: NATIVE
Subject: DG INITIATIVE CONCERNING NEXT PHASE OF THE MTN
TAGS: ETRD, MTN, GATT
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/989963e3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014